



UNIVERSITI PUTRA MALAYSIA

**ORGANIZATIONAL FACTORS ASSOCIATED WITH EMPLOYEES'
ATTITUDE TOWARDS TRAINING AT SELECTED
FINANCIAL ORGANIZATION**

AZMAN BIN OMAR

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FINANCIAL ORGANIZATION**

By

AZMAN BIN OMAR

**Thesis Submitted in Fulfilment of the Requirements for the Degree of
Master of Science in Faculty of Educational Studies
Universiti Putra Malaysia**

May 2000



Abstract thesis submitted to the Senate of Universiti Putra Malaysia in fulfilment
of the requirements for the degree of Master of Science

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Chairman : Jamilah Bt Othman, Ph.D

Faculty : Educational Studies

In the researcher's experience as the Training Manager for Abrar Group International (AGI) in 1995 - 1997, it was observed that AGI and its subsidiaries experienced a low turn-up trend for training programs. This posed many questions and assumptions. According to several authors such as Rubenson, Knowles and Cross, one of the reasons for this is employees' attitude towards training. However, there are many other possible factors affecting employee turn-up.

The general objective of this study is to determine which organizational factors are associated with employees' attitude towards training at Abrar Group International. Specifically, this study is aimed to (1) identify the socio-demography of employees. (2) determine the attitude towards training among the employees, (3) determine the organization factors (the environment, job

characteristics, supervisory support and the training barriers) with regard to their attitude on training, (4) determine the relationship of employee attitude towards training and selected independent variables (the organization factors), and finally (5) determine the predictor variable among the independent variables with regard to the respondents' attitude towards training.

To start of the research, a preliminary questionnaire was prepared to validate and improve the survey instrument. This was followed by a questionnaire survey research method using the validated and improved instrument. The instrument was administered on 160 employees from 16 subsidiaries of Abrar Group International (AGI) including the head office. A total of 144 valid responses were used for the study.

A majority of respondents (96%) had a positive attitude towards training. The environment was conducive and most respondents had a moderate to high satisfaction towards their job character and supervisors' support. A majority of respondents also stated that they did not have much constraint to attend training even if they faced barriers.

Based on a correlation test, the environment, job characteristics, and supervisor support indicated a significant but small relationship with respondents' attitude towards training. However, the training barrier variables did not indicate any relationship. Results of a regression test showed the environment was the only variable that had a significant relationship with employees' positive attitude towards training.

The study concluded that the environment, job characteristics, and supervisory support contributed significantly to employees' positive attitude towards training. Nevertheless, the employee positive attitude cannot ascertain the lower turn-up in training programs. Based on the entire findings, there were also other possible factors that can play significant role to affect employees' attitude towards training compared to the organizational factors.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains

**PERKAITAN FAKTOR-FAKTOR ORGANISASI DENGAN SIKAP
KAKITANGAN TERHADAP LATIHAN DI SYARIKAT KEWANGAN
YANG TERPILIH DI MALAYSIA**

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Melalui pengalaman penyelidikan sebagai Pengurus Latihan di Abrar Group International (AGI) dari tahun 1995 ke tahun 1997, didapati berlakunya kekurangan kakitangan yang hadir ke program latihan yang disediakan. Ini menimbulkan persoalan dan tandatanya yang perlu dijawab. Berbagai factor kemungkinan yang boleh menyebabkan keadaan ini berlaku. Menurut beberapa penyelidik lalu seperti Rubenson, Knowles dan Cross, di antaranya ialah sikap kakitangan terhadap latihan.

Maka, objektif umum kajian ini dijalankan adalah untuk mengenalpasti faktor-faktor organisasi yang mempunyai kaitan terhadap sikap kakitangan terhadap latihan. Di antara objektif khusus adalah (1) mengenalpasti sosio-demografi responden. (2) mengenalpasti sikap responden terhadap latihan. (3)

mengenalpasti faktor organisasi (persekitaran, perwatakan kerja, sokongan ketua dan halangan latihan), (4) mengenalpasti perkaitan antara sikap responden terhadap latihan dan pemboleh ubah tidak bergantung (faktor organisasi), (5) mengenalpasti pembolehubah penentu terhadap sikap kakitangan kepada latihan.

Soalan-soalan diperingkat awalan untuk kajian disediakan untuk disahkan dan dibuat pembaikan. Soalan-soalan kajian yang telah dihalusi, disahkan kesahihannya melalui ujian. Sebanyak 160 borang soal selidik telah diedarkan di kalangan kakitangan yang terpilih di ibu pejabat AGI serta anak-anak syarikatnya. Sebanyak 144 borang soal selidik telah diterima kembali untuk mewakili responden AGI.

Kajian ini mendapati majoriti responden (96%) mempunyai sikap positif terhadap latihan. Keadaan persekitaran adalah selesa dan juga kakitangan mempunyai tahap kepuasan `sederhana` hingga `tinggi` terhadap angkubah perwatakan kerja (job character) dan sokongan dari ketua. Majoriti kakitangan tidak mempunyai masalah untuk hadir ke program latihan walaupun terdapat halangan.

Keputusan ujian korelasi mendapati angkubah persekitaran, perwatakan kerja, dan sokongan dari ketua menunjukkan hubungan yang signifikan tetapi kecil dengan sikap responden terhadap latihan. Walaubagaimanapun pemboleh ubah halangan latihan tidak pula menunjukkan sebarang hubungan yang signifikan. Dalam ujian regresi pula, angkubah persekitaran merupakan angkubah yang memberikan respon hubungan signifikan dengan sikap kakitangan terhadap latihan.

Kesimpulan kajian ini. menunjukkan pembolehubah bebas iaitu faktor-faktor organisasi kecuali halangan latihan, menyumbang kepada sikap positif kakitangan terhadap latihan. Walaupun begitu, sikap positif kakitangan terhadap latihan bukan penentu terhadap kehadiran mereka dalam kursus. Berdasarkan keseluruhan kajian ini, kemungkinan juga terdapat faktor lain yang lebih signifikan selain faktor keorganisasian, berkaitan sikap kakitangan terhadap latihan.

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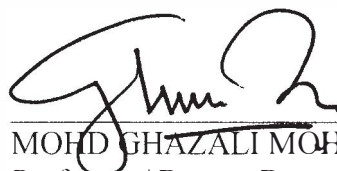
I certify that an Examination Committee met on May 19, 2000 to conduct the final examination of Azman Omar on his Master thesis entitled “Organizational Factors Associated With Employees’ Attitude Towards Training At Selected Financial Organization” in accordance with Universiti Pertanian Malaysia (Higher Degree) Act 1980 and Universiti Pertanian Malaysia (Higher Degree) Regulation 1981. The Committee recommends that the candidate be awarded the relevant degree. Members of the Examination Committee are as follows:

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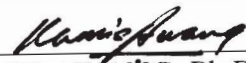
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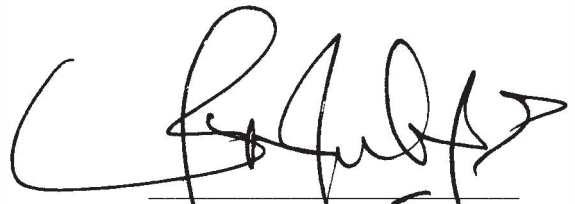


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DECLARATION

I hereby declare that the thesis is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at UPM or other institutions.


(AZMAN OMAR)

Date : 30/8/2000

TABLE OF CONTENTS

	Page
ABSTRACT	ii
ABSTRAK	v
ACKNOWLEDGEMENTS.....	viii
APPROVAL SHEETS	x
DECLARATION FORM	xii
LIST OF TABLES	xvi
LIST OF FIGURES	xviii

CHAPTER

I INTRODUCTION

Background Of The Problem	1
The Context of The Study	1
Track Record of Training Expenditure	8
The Problem Statement	10
Objectives Of The Study	12
Significance of The Study	13
Assumption and Scope of Study	13
Limitations of Study	15
Definition of Terms	15

II LITERATURE REVIEW

Concepts of Training	17
Adults Participation in Training	20
Expectancy and Valency Model	22
Cross and Cookson`s Model	23
Static versus Innovation Organization Model	25
Concept of Attitudes	29
Measuring attitude	31
Perception	34



	Page
Organizational Environment	35
The Structure of Organization	36
The atmosphere of Organization	40
The Management philosophy and attitudes	45
Decision making	48
Communication	51
Summary	57
Supervisory support	58
Fielder's Situational Theory	60
The Normative Leadership Theory	61
Situational Leadership Theory	62
Path-Goal Theory	65
Summary	67
Job Characteristics	68
Job Ability.....	72
Summary	75
Summary	76
Concluding Remarks	77
 III RESEARCH METHODOLOGY	
Theoretical and Conceptual Models of The Study	79
Design of The Study	80
Hypothesis	81
Population and sample	82
Instrumentation	82
Pre-testing of instrument	82
Measurement of variables	84
Data collection	87
Data Analysis	88
 IV RESULTS	
Scores On Independent Variables	90
Socio demographic	90
Organizational Environment	93
Job Characteristics	96
Supervisory Support	99
Perception On Training Barriers	101
Scores On Dependent Variable	103
Attitude Towards Training	103

	Page
Relationship of Selected Variables	105
Result From Correlation Test	105
Result From Regression Test	107
Result From Hypothesis Test	108
Discussion On Findings	110
 V SUMMARY, CONCLUSION, IMPLICATION AND RECOMMENDATION	
Summary	119
Conclusion	121
The Implications	122
Recommendations	124
 BIBLIOGRAPHY	 128
 APPENDICES	
Appendix 1	136
Appendix 2	137
Appendix 3	138
Appendix 4	139
Appendix 5	140
Appendix 6	141
Appendix 7	142
Appendix 8	143
Appendix 9 Research Questionnaire	144
 BIOGRAPHICAL SKETCH	 156

LIST OF TABLES

TABLE		PAGE
1	Budget Spent By Five Companies In Different Industries On Training	3
2	The 1997 Summary of Allocation For Training and The Percentage Of Utilization As At October 1997 At Corporate Office (Headquarters)	9
3	Alpha Coefficient of Reliability In The Pre-test On Variables Scales	84
4	Guilford's Rule Of Thumb	89
5	Distribution of Respondents According To Age, Gender and Years In Service	91
6	Distribution of Respondents According To Highest Education Attainment and Training Attendance For The Past One Year	93
7	Frequency Distribution Of respondents According To AGI's Organizational Environment Factors	94
8	Means and Standard Deviations of Items Measuring Organization Environment	95
9	The Scores of Five Components Scales In The Organization Environment	96
10	Frequency Distribution Of respondents According To Scores On Their Job Characteristics Scale	97
11	Means and Standard Deviations of Items Measuring Job Characteristics	98
12	Frequency Distribution Of respondents According To Scores On Their Supervisory Support Scale	99
13	Means and Standard Deviations of Items Measuring Supervisory Support	100



TABLE		PAGE
14	Frequency Distribution Of respondents According To Scores On Training Barriers	101
15	Means and Standard Deviations of Items Measuring The Training Barriers	102
16	Frequency Distribution Of Respondents According To Scores On Their Attitude Scales Towards Training	104
17	Means and Standard Deviations of Items Measuring Attitude	105
18	Relationship Selected Independent Variable and Attitude Of Respondents	106
19	Regression Result of Respondent attitude Towards Training With Selected Independent Variables	108

LIST OF FIGURES

FIGURE	PAGE
1 Rubenson`s paradigm of recruitment in recurrent Education (1978)	22
2 Cross`s Chain of Response Model for Participation In Adult Education (1980)	23
3 Cookson`s adaptation of the ISSTAL model of participation In Adult Education	24
4 Characteristics Of Static vs Innovative Organization By Knowles (1980)	27
5 Theoretical Framework of Study In Adult Participation in Learning by Arshad (1993).....	29
6 Measuring Attitude: Azjen`s Model Of Planned Behaviour	32
7 Mapping Attitude By Jones (1990)	33
8 Model Of Designing Framework Of Organizational Structure By Galbraith And Kazanjian (1986)	37
9 A Model of Good Working Environment Related To An Organizational System By Cummings and Worley (1989)	44
10 The Pattern of Information Flow Model Among Task Group By Bartol and Martin`s (1994)	55
11 The job Characteristics Model By Hackman And Oldham	69
12 Perspectives of jon analysis and design that correlate and Influences person`s ability By Bernadin and Russel (1993)	73
13 Model of `Designing Work for Productivity and Quality Of Work Life.` By Cummings (1989)	74
14 The Theoretical Framework of This Study	78

CHAPTER 1

INTRODUCTION

Background Of The Problem

The Context Of The Study

In Vision 2020, the Malaysian government has targeted the achievement of a fully developed Malaysian nation by the year 2020. The Prime Minister further emphasized that to achieve this, Malaysia needs a highly educated and trained Malaysia population. Malaysia expects 40 percent of her population to have access to tertiary education compared to 13.9 percent at present.

In order to achieve this vision, a lot of effort on education and training has been made through various ways. Today, learning has become increasingly important with no limitations of distance or time. With emerging technologies that explore and realize grand flagship applications in Malaysia's Multimedia Super Corridor, there will be a quantum leap of information and multimedia as a way of life in an era of instant, unlimited and rich information relating to knowledge and skill development. A student may be anywhere in the world, no matter how remote, he or she shall not be deprived from education. The learning process is becoming simpler, more comprehensive and more relevant to whatever the person is doing or wants to do.

Today, the number of employees who return to formal education and training has been increasing consistently since the year 1972 (Arshad, 1993). Education and training have become vital to the development of human resources

within a system or organization. In fact, education and training are the keys that unlock the full potential of human resources (Poltechar, 1987). Arshad (1993) quoting Tan Sri Ahmad Sarji (1991; p.348) on the importance of education among adults states;

All of us are familiar with the fact that formal education ends with the acquisition of the much revered paper qualification. Whilst this gives the required passport to our respective jobs, this in itself does not ensure future success. The necessity to make a personal commitment to learning as a life long process is unquestionable. While learning can be both formal and informal, often it is the informal learning process that provides the lasting lessons in life. And these are lessons that can transform excellent performers.

For employee training, according to Smith (1983) and Lovel (1984), it includes staff development programs and in-service training that play an important role in bringing about desirable changes in employees' behaviour. Changes in employees' behaviour are expected to occur from improved knowledge and skills related to the job as well as through the inculcation of positive attitudes, values, work ethics and working culture.

Nowadays, many organizations spend huge amount of money on investment to upgrade their employee's knowledge and skills. In America, for example, as a developed country the total budget by organizations for training accumulated to USD 58.6 billion in 1997 (ASTD, 1998). Based on observation on a few selected organizations in Malaysia (refer table 1), organizations spend an average of USD 1,000 to USD 6,538 per year for training and human resource development purposes (Maimunah, 1992).

Year	Company	Expenditure per Employee (USD)
1990	S.K. Brother Realty	1,000
1990	The Regent Hotel, KL	588
1990	Nestle Group	766
1991	Esso (Malaysia)	6,538
1991	Leisure Holiday Sdn Bhd	2,000

Table 1 : Budget spent by five companies in different industries on training.

Source : Maimunah 1992, *Human Resource Management*, P. 56

Mean while, at Abrar Group International (AGI) and its subsidiaries specifically, in respond to the government's policy and requirements, have allocated more than 5% of its annual budget on training (Azam, 1995). For example, at AGI corporate office (headquarters) spent about RM 260.9 thousand compared to the total budget salary which is about RM 4.36 million. The expenditure complies with Alex (1996), who stated that as a guide, a training budget for every organization should be at least 3% of the payroll.

However, Maimunah (1992) again emphasized that, there is still a discrepancy such as a low training attendance or minimal commitment from the management towards achieving the most effective and efficient training program for the employee. The author stressed that, despite organizations seriously investing a lot of money in training and human resource development, there is still an attitude problem towards training among the employers. For example, organizations tend to spend as little as possible on training because trained employees tend to be head-hunted by other organizations who are willing to pay a few dollars more in wages while saving on training cost. These reasons could

interrupt the entire training process including the employees attitude towards training. This matters was also been mentioned by the earlier scholars such as Cross and Cookson (1980) and Rubenson (1978).

In fact, to support the earlier findings, a report from the Lore International Institute in 1998, mentioned that there was a scenario where the supervisor does not see the organizational value in training and lets the employee know this. The employee adopts the supervisor's attitude towards training's lack of value. Finally, to the employee, training becomes waste of time and he does not even look to acquire useful skills or knowledge. In fact the employee, (assuming an employee finds something helpful in the course), when he returns to work, would probably face either supervisor apathy or actual resistance to him using his learning's. Further studies conducted by the institute show that only 8 % - 12 % of those who attend training, are able to translate the new skills and knowledge into business results or job performance. As a conclusion, from the study, it shows that with this kind of scenario, training becomes a self-fulfilling prophecy. Training functions lose their credibility, cut budgets and reduce staff.

Earlier, in 1984, Spitzer identified ten most compelling reasons why training programs fail. First, training is viewed as education. It is viewed as a form of education and as a result loses its unique contribution to the organization in terms of performance improvement. Secondly, training is viewed as a fringe benefit. It is a right program and privilege for all employees. It lose its ultimate performance improvement purposes. Third, the classroom mentality. Training occurs in an isolated, protected environment that is far from that of the

performance environment. Fourth, lack of management commitment. Supervisors and managers not willing to actively support the training program through participation and resource sharing. Fifth, 'dumping'. Employees are often not expected to integrate the training that they received with their jobs. As a result, training is viewed as an end of and by itself which leads to this 'dumping' phenomena. Sixth, having too much emphasis on development and delivery. The trainers spend too much time on developing and delivering training course and too little time interacting with the employee as trainee. Seventh, lack of performance-based evaluation. Training evaluation technique focus on satisfaction indices only and not on other factors such performance and impact of training on organizational results. Eighth, inappropriate trainees. Inappropriate selection of trainees can be waste of time for the trainees, trainers, and the organization. Often the wrong population of trainees is selected for a particular training program. They don't want the training, don't need training, do not possess the necessary prerequisites, or will not have the opportunity to use the new skills on the job. Ninth, lack of follow-up after training. This lack of follow-up by the trainers and the supervisor leaves big question mark as to how the training is being implemented on the job and whether the skills have been appropriately transferred. And finally, constraints in the performance environment. Performance environments can create obstacles and barriers that may be insurmountable without the support and commitment of management and training personnel. Negative effects due to disincentives, unclear expectations, lack of interpersonal support, and poor supervision can greatly diminish training programs. Based on

Spitzer's views, inappropriate attitude, perception and views towards training among the management or the employee can lead towards failed training programs.

It is important to stress that the attitude towards training is very important because it relates to behavior change. Training should be adopted as a necessary component of business operations. A person may have a different set of attitudes before training which may change positively after participation in such programs. According to Richard, J and Christopher, C. (1992), the positive change can also happened because of the skill level of facilitator. Moreover, a study by Yakimovicz (1994) shows that women owners of smaller and younger companies are more likely to be focused on changing trends in training, such as interpersonal skills or employee needs. Owners of older, more established companies are more likely to see training as part of their strategic planning. They are more supportive of long-term employee development and training that teach employees how to learn. Owners of companies older than 20 years were least likely to agree that their training programs have been extremely successful. However the study did not determine whether the training attitudes found are gender related. Yakimovicz concluded that all these different sets of attitude towards training by different groups of people, show that the organization involvement in the training process is related to the company's mission.

Cohen (1987) has also studied several factors that affects a person attitude towards training. The author brought forward five factors which are the attendance of the management, management's participation or commitment, the